outlay for this scheme for a period of five years from 2004-05 *i.e* from 2004-05 to 2008-09 would be Rs. 28 crores.

Package for coffee sector

With a view to provide relief to coffee growers, Government has approved a special relief package to revive coffee sector which envisages the following:-

(i) Sharing equally the total interest burden on Special Coffee Term Loan (SCTL) during the three year moratorium period of Rs. 287.10 crores amongst the banks, the Government and the grower loanees to the extent of one third each. The Government Subsidy will be released only after growers had paid their share in full by the end of June 2005.

(ii) To request the banks to lower the interest rates charged on SCTL from the existing 11% to 9% or rate applicable to agriculture sector whichever is lower, during the remaining repayment period of SCTL loans.

(iii) Writing off coffee developmental loans along with interest amounting to around Rs.24 crore, due from the Coffee Board to the Government of India. The Coffee Board will in turn waive the old developmental loans amounting to around Rs.64.59 crore extended by the Board to the coffee growers (below 10 hectares) only.

(iv) Providing the interest subsidy scheme on working capital loans for small growers (below 10 ha) at the rate of 5% and for large growers at rate of 3% for the remaining years of the Tenth Plan. However, this subsidy would be reduced by 1% for a period of 3 years in the case of those growers who receive the benefit of reduced interest burden on SCTL during the moratorium period.

The above packages are expected to improve tea production and reduce the debt burden of coffee growers.

Trade with Bangladesh

2374. SHRI JESUDASU SEELAM:
DR.T. SUBBARAMI REDDY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether India has assured Bangladesh that it would try to address Bangladesh concern of its trade deficit with India by exploring new areas of cooperation;

(b) if so, whether during Bangladesh Foreign Secretary visit to India, Commerce Ministry gave this assurance;

(c) if so, what are steps being taken by Government to improve trade with Bangladesh;

(d) whether Government has assured Bangladesh to encourage increased economic interaction between two countries including organizing trade show in India and Indian investment in Bangladesh;and

(e) to what extent both India and Bangladesh have taken steps to improve trade between two countries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN) (a) to (c): No, Sir. However, to reduce the trade deficit of Bangladesh,India conveyed its sincerity to address Bangladesh concerns in this regard including through measures such as removal of non-traiff and para traiff barriers. During the recently concluded 3rd Joint Working Group (JWG) Meeting held in Dhaka on August 1-2-2005, Many of the outstanding issues on Non-Tariff Barriers (NTBs), Trade Facilitation , Revision of Bilateral Trade Agreement and feasibility of Free Trade Agreeement between India and Bangladesh were taken up.

(d) and (e) Yes, Sir India has been assisting Bangladesh in arranging trade promotional activities for instance Bangladesh participated in India International Trade fair held in New Delhi on November 14-27,2004 on concessional basis. Also, Bangladeshi companies have been encouraged to participate in trade fairs held at Kolkata, Guwahati and Agaratala. Recent initiatives by India and Bangladesh to reduce tariff, para-traiff and non-traiff barriers and greater customs cooperation between the two countries are steps leading to higher intra country investments which will ultimately result in boost to the bilateral trade between the two countries.